

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO**

In re:

ROMAN CATHOLIC CHURCH OF THE
ARCHDIOCESE OF SANTA FE, a New Mexico
corporation sole,

Debtor-in-Possession.

Chapter 11

Case No. 18-13027-t11

**VERIFIED DISCLOSURE OF BRUCE A. ANDERSON IN CONNECTION WITH
APPLICATION TO EMPLOY ELSAESSEN ANDERSON CHTD. AS BANKRUPTCY
COUNSEL FOR DEBTOR IN POSSESSION**

I, Bruce A. Anderson, hereby declare under penalty of perjury, pursuant to Fed. R. Bankr. P. 2014(a) and 2016(b), that to the best of my knowledge and belief, and after reasonable inquiry, the following is true and correct:

1. I am over the age of 18 years, have personal knowledge of the following statements and am competent to testify to the following statements.

2. I am a practicing lawyer and partner in the law firm of Elsaesser Anderson Chtd. ("Elsaesser Anderson") and am duly authorized by Elsaesser Anderson to make all statements which I have made herein on behalf of Elsaesser Anderson with respect to the Debtor's Application To Employ Elsaesser Anderson Chtd. As Bankruptcy Counsel For Debtor-In-Possession (the "Application")

3. I am a member in the following state and federal bar associations:

1) Idaho State Bar Association, member in good standing, date of admission 1985, Bar ID # 3392, and the following:

	<u>Date Admitted</u>
U.S. District Court, Idaho	1985
U.S. District Court, Colorado	1987
9 th Circuit Court of Appeals	1995

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9 th Circuit Bankruptcy Appellate Panel	1995
U.S. Tax Court	1985

4. I have practiced substantially in the areas of bankruptcy, insolvency, creditor's rights, and debtor-creditor relations since 1985.

5. I am filing this declaration in support of the application of Roman Catholic Church of the Archdiocese of Santa Fe (the "Debtor") for entry of an order authorizing the retention and employment of Elsaesser Anderson as bankruptcy counsel for Debtor in this Chapter 11 case (the "Application"). To the extent that any information disclosed herein requires amendment or modification upon Elsaesser Anderson's completion of further analysis or as additional creditor information becomes available to it, a supplemental declaration will be submitted to the Court reflecting the same.

6. This declaration is submitted also as the statement required pursuant to §§ 328, 329, and 504 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedures (the "Bankruptcy Rules") and Local Rule 2016-1(a) of the Local Rules of the United States Bankruptcy Court, District of New Mexico (the "Local Rules").

7. As set forth in more detail below, since October 3, 2018, Elsaesser Anderson has advised the Debtor with respect to restructuring and bankruptcy advice, including preparation of the requisite petitions, pleadings, exhibits, lists, and schedules in connection with the commencement of Debtor's Chapter 11 case.

Services to be provided

8. The professional services Elsaesser Anderson will render to Debtor may include the following:

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- a. Represent and render legal advice to Debtor regarding all aspects of this bankruptcy case, including, without limitation, representing Debtor in all hearings before this Court and drafting pleadings in furtherance of Debtor's bankruptcy case;
- b. Take all necessary actions to protect and preserve Debtor's estate, including the prosecution of actions on Debtor's behalf, the defense of any actions commenced against Debtor, the negotiation of disputes in which Debtor is involved, and the preparation of objections to claims filed against the Debtor's estate;
- c. Provide legal advice with respect to Debtor's powers and duties as debtor-in-possession in the continued operation of its ministry;
- d. Prepare on behalf of Debtor all necessary motions, applications, answers, orders, reports, and papers including Debtor's plan of reorganization and disclosure statement in connection with the administration and prosecution of Debtor's Chapter 11 case;
- e. Assist Debtor in connection with any disposition of Debtor's assets, by sale or otherwise;
- f. Assist Debtor in the negotiation, preparation and confirmation of a plan or plans of reorganization and all related transactions;
- g. Appear in Court to protect Debtor's interests before the Court;
- h. Assist Debtor with gathering information needed in this bankruptcy case; and
- i. Perform all other necessary legal services in connection with this bankruptcy case.

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Professional Compensation

9. Compensation paid to Elsaesser Anderson for services rendered in connection with this case is to be a reasonable fee, based upon customary hourly rates normally charged to clients of Elsaesser Anderson. All amounts paid by Debtor post-petition to Elsaesser Anderson shall be subject to ultimate approval of the Bankruptcy Court under 11 U.S.C. §§ 328, 330 and 331. Elsaesser Anderson has received a prepetition retainer in the amount of \$100,000.00, in two payments of \$50,000.00 each.

10. Elsaesser Anderson will charge the Debtor hourly rates of \$375.00 for Ford Elsaesser, \$350.00 for Bruce A. Anderson and \$225.00 for Katherine Elsaesser. Law clerks and paralegals may work on the case at the rate of \$75 per hour. Hourly rates will be charged based on the individual's normal billing rate, expertise, and experience. Elsaesser Anderson reserves the right to change its hourly rates and shall notify Debtor and obtain any required Court approval in advance of any rate increases before the increase goes into effect.

11. Elsaesser Anderson itemizes and charges separately for certain costs and expenses, such as postage, long distance telephone charges, travel, filing fees, court fees, deposition expenses, computerized legal research, and expert witness fees, all at cost, faxes (\$0.15 per page) and photocopying (\$0.10 per page). Elsaesser Anderson does not charge separately for word processing, in town messenger service, or secretarial overtime, all of which are included as part of its overhead.

12. Elsaesser Anderson has informed Debtor that, limited to this bankruptcy case, it will not charge Debtor for any of the following services, pursuant to this Court's opinion in *In re Furr's Supermarkets, Inc.*, Case No. 11-01-10779 SA (Bankr. D.N.M. June 28, 2001): secretarial

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work, secretarial overtime, overtime meals, late work transportation allowances, and word processing, proofreading, or other miscellaneous support services.

13. No promises have been received by Elsaesser Anderson or any attorney or professional of Elsaesser Anderson as to payment of compensation in connection with this case in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and the Court's orders. Elsaesser Anderson has no agreement with any other entity to share with such entity any compensation received by Elsaesser Anderson, except as permitted under § 504(b)(1) of the Bankruptcy Code.

14. The bankruptcy estate will be the source of payment of compensation to Elsaesser Anderson, subject to court approval. No compensation for legal services rendered and reimbursement of expenses incurred in representation of Debtor has been promised to Elsaesser Anderson from any source other than Debtor. Elsaesser Anderson has not agreed, and will not agree, to share compensation with any person or entity except employees of Elsaesser Anderson.

15. Elsaesser Anderson requests that it be paid by Debtor on a monthly basis, upon receipt of Elsaesser Anderson's billing statements and prior to the Court's allowance of Elsaesser Anderson's compensation, seventy-five percent (75%) of billed fees, one hundred percent (100%) of reimbursable costs and one hundred percent (100%) of applicable gross receipts tax on fees and costs that are paid.

16. Elsaesser Anderson intends to apply for compensation for professional services to be rendered in connection with this Chapter 11 case and for reimbursement of expenses incurred, no less frequently than every 180 days, in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the guidelines established by the

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Office of the United States Trustee and the Court's orders, on an hourly basis, plus reimbursement of actual, necessary expenses and other charges that Elsaesser Anderson incurs.

Disinterestedness

17. Elsaesser Anderson is required to disclose to this Court any and all connections with Debtor, its creditors, other parties in interest, their respective attorneys and accountants, the U.S. Trustee, or any person employed in the office of the U.S. Trustee.

18. Elsaesser Anderson has no connections with Debtor aside from Elsaesser Anderson's representation of Debtor as counsel pre-petition and its proposed representation of Debtor post-petition. Elsaesser Anderson provided legal services to Debtor prior to the Petition Date in connection with, among other things, analyzing and advising as to options, advising with respect to bankruptcy preparations and procedures, preparing for the bankruptcy filing, assisting with all prepetition planning, and drafting the first day pleadings.

19. On or about October 24, 2018, Elsaesser Anderson received a \$50,000.00 retainer and on November 29, 2018 an additional \$50,000.00 retainer, held in trust and applied to prepetition legal services rendered to Debtor (including the filing fee) in the amount of \$91,234.79. The source of the prepetition payments was Debtor. Elsaesser Anderson is not owed any amount by the Debtor for prepetition services. There is \$8,765.21 held in trust

20. Elsaesser Anderson's connections with the office of the U.S. Trustee and any of its employees extend only to Elsaesser Anderson's involvement as counsel for debtors, trustees, and creditors in other cases in the Bankruptcy Court.

21. Elsaesser Anderson does not represent any of Debtor's known creditors or any of their known attorneys, and Elsaesser Anderson does not have an insider relationship, as "insider" is defined in § 101(31) of the Bankruptcy Code, with any of Debtor's known creditors or any of

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their known attorneys, to the best of Elsaesser Anderson's knowledge, after reasonable due diligence. In connection herewith, Elsaesser Anderson performed a review of the connections and relationships between Elsaesser Anderson and Debtor's known secured creditors, Debtor's twenty largest unsecured creditors, and Debtor's officers and directors, as well as other parties in interest with respect to the Chapter 11 case. In conducting this review, Elsaesser Anderson searched its database of clients and opposing parties for the names of the foregoing parties. In light of the extensive number of creditors and other parties in interest, Elsaesser Anderson has been unable to conclusively identify all potential relationships. However, to the extent that Elsaesser Anderson becomes aware of any additional relationships, Elsaesser Anderson will promptly file a supplemental declaration.

22. Based upon the information available to me, after following the procedures described herein, and except as otherwise described herein, Elsaesser Anderson holds no interest adverse as to Debtor with respect to the matters for which it is to be employed. Accordingly, I submit that Elsaesser Anderson is a "disinterested person" as that term is defined in § 101(14) of the Bankruptcy Code, as modified by § 1107(b) of the Bankruptcy Code.

23. In addition, Elsaesser Anderson or its employees may subscribe to telephone and other utility services, and may purchase other goods and/or services, from vendors of Debtor.

24. Based upon the foregoing, I respectfully submit that the requirements for Elsaesser Anderson's retention as attorneys for Debtor have been met.

The undersigned verifies under penalty of perjury that the above is true and correct.

Dated: December 3, 2018.

/s/ Bruce A. Anderson
Bruce A. Anderson

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FILED BY:

By: /s/ Bruce A. Anderson

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Proposed Counsel for Debtor in Possession

CERTIFICATE OF SERVICE

In accordance with NM LBR 9036-1 and Fed. R. Civ. P. 5(b)(3), this certifies that service of the foregoing document was served this 3rd day of December 2018, via the notice transmission facilities of the case management and electronic filing system of the Bankruptcy Court.

/s/ Stephanie L. Schaeffer

Stephanie L. Schaeffer

Proposed Counsel for Debtor-in-Possession

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